

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

STARRED QUESTION NO:43
ANSWERED ON:28.02.2000
OUTSTANDING DUES FROM TELECOM COMPANIES
AJAY CHAKRABORTY;PAWAN KUMAR BANSAL

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) Whether the Government have decided to extend the last date (deadline) for the payment of cellular licence fee arrears from January, 31 to March 15, 2000;
- (b) if so, the names of the companies and the amount due from each one of them at present along with the periods for which the dues have been outstanding against them city-wise;
- (c) the number of companies that have come to the Revenue Sharing Regime;
- (d) the revenue likely to be collected from them;
- (e) whether on several occasions in the past also the Government had announced such deadlines for depositing the arrears of license fees;
- (f) if so, the details of dates announced as deadlines during the last three years along with the reasons for giving extension of dates for clearing the dues ;
- (g) whether the cellular operators associations has asked for further concessions from the government ;
- (h) if so, the details thereof; and
- (i) The reaction of the government thereto?

Answer

MINISTER FOR COMMUNICATIONS

(SHRI RAM VILAS PASWAN)

- (a) to (i) A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO

(i) OF LOK SABHA STARRED QUESTION NO. 43 FOR 28TH FEBRUARY, 2000 REGARDING OUTSTANDING DUES TELECOM COMPANIES.

- (a) Yes, Sir.

(b) The position of license fee arrears in respect of licensees presently in the process of migration as on 24th February, 2000 is indicated in Annexure-I.

(c) Twenty Cellular Companies holding thirty-four cellular licenses have come into revenue sharing regime and are at present in the process of migration.

(d) The revenue collected in advance as revenue share pertaining to the period 1st August, 1999 to 31st March, 2000 is indicated Annexure-II. This is based on a provisional revenue share of 15% of gross revenue which is subject to change based on the final decision. The quantum of revenue collection in future will depend upon the earning levels of the licensee companies, which is difficult to assess in advance.

(e) & (f) Most of the cellular licensees had not been paying the license fee dues and had requested for several relief measures like moratorium on license fee payments, extension of period of license etc. on several grounds, inter-alia, non viability of their projects, poor cash flows and alleged delays in governmental clearances. The Government, as a pro-tem measure, asked the licensees on 25th January, 1999 to pay atleast 20% of the accumulated license fees dues by 28th February, 1999 in order to establish their bonafides. In spite of this, some licensees failed to pay 20% of their outstanding dues. Consequently their bank guarantees were invoked and six licenses were terminated. This resulted in several legal proceedings in different Courts. The Government, in consideration of totality of the circumstances offered to the licensees a package for migration to revenue sharing regime under the New Telecom Policy 1999. As per the package, 35% of the dues were to be paid by 15th August, 1999, Bank guarantees to securitise balance dues were to be furnished by 30th November, 1999 and full balance dues were to be paid by 31st January, 2000. Some of the licensees could not abide by these deadlines in view of their various financial problems, particularly on account of alleged uncertainty created by Public interest Litigation in Delhi High Court challenging the Migration Package. A final extension for

securitisation upto 29th February, 2000 and for payment of full balance dues by 15th March, 2000 has been given and for this the licensees will have to pay additional penalties.

(g) to (i): Yes, Sir. There are certain subsisting problems like lock-in period for equity, restoration of terminated licenses etc. of cellular industry which are being looked into by the Government. The Government have appointed a 'Group on Telecom and IT Convergence' on 13th December, 1999 under the Chairmanship of Finance Minister to, inter-alia identify and recommend measures for resolution of subsisting problems in the telecom sector with a view to ensuring expeditious implementation of the NTP-99. The Government will take a decision on receipt of recommendations of the said Group.

Annexure-I.

Position of Cellular license fee Arrears against the Licensees of Cellular Mobile Services (Circles) under Migration.

(Rs. In crores)

S.No.	Name of Company	Service Area	Arrear of License fee Principal	Interest	Total	Period
1.	Bharati Pradesh	Himachal	0.00	0.00	0.00	
2.	Birla Maharashtra	Gujarat	0.00	0.10	0.10	
		0.00		0.10	0.10	
3.	Escotel	Haryana	0.00	0.00	0.00	
	Kerala	0.00	0.00	0.00		
	Uttar Pradesh (West)	0.00	0.00	0.00		
4.	Fascel to date.	Gujarat	60.19	87.06	147.25	19.9.98
5.	Hexacom Rajasthan	North East	0.00	0.00	0.00	
		0.00	5.69	5.69		
6.	J.T. Mobile Karnataka	Andhra	0.00	0.00	0.00	
		0.00	0.08	0.08		
7.	Modicom to date	Karnataka	90.09	43.34	133.43	4.7.98
	Punjab to date		84.61	39.40	124.01	4.7.98
8.	Srinivas	Tamilnadu	0.00	0.00	0.00	
9.	RPG Pradesh	Madhya	0.00	0.25	0.25	
10.	Reliance Assam	West Bengal	0.00	0.21	0.21	
		0.00	0.01	0.01		
	Bihar	0.00	2.95	2.95		
	Himachal Pradesh	0.00	0.07	0.07		
	Madhya Pradesh	0.00	0.25	0.25		
	Orissa	0.00	1.92	1.92		
	North East	0.00	0.01	0.01		
11.	Tata Pradesh	Andhra	0.00	4.02	4.02	
12.	BPLUS Kerala		0.00	3.12	3.12	
	Tamilnadu	0.00	5.04	5.04		
	Mahrashtra	0.00	10.19	10.19		
Total :		234.89	203.81	438.70		

Position of Cellular license fee Arrears against the Licensees of Cellular Mobile Services (Metros) under Migration

S.No.	Name of Company	Service Area	Arrear of licence fee		Total	Period
			Principal	Interest		
			(provisional)			
			(Rs. In Crores)			
1.	Bharati	Delhi	0.00		0.00	
2.	Sterling	Delhi	0.00		0.00	
3.	H.Max	Mumbai	0.00		0.00	
4.	BPL	Mumbai	0.00		0.00	
5.	Skycell	Chennai	0.00	0.00		
6.	RPG	Chennai	0.00		0.00	
7	Modi	Calcutta	0.00		0.00	
8.	Usha	Calcutta	0.00		0.00	
Total:-			0.00	0.00		

Note: The interest amount shown is provisional subject to finalisation at a later date.
The dates shown are as per the original payment schedule.
The license fee and interest for the fourth year and onwards are under revision following verification of the companies subscriber base.

ANNEXURE-II.

Revenue Share Payments received under NTP-99.
(C.M.T.S. (Circle) (Rs. In Crores)

S.No.	Name of Operator	Area of Operation	15% Revenue share paid for 1.8.99 to 31.10.99	15% Revenue share paid for 1.11.99 to 31.1.2000	15% Revenue share paid for 1.2.2000 to 31.3.2000
1.	Bharati	H.P.	0.13	0.15	0.11
2.	Birla Maharashtra	Gujarat (both)	3.69 (both)	3.69 (both)	2.74
3.	Escotel Kerala U.P(W)	Haryana 1.19 1.18	0.56 1.32 1.63	0.62 0.98 1.25	0.58
4.	Fascel	Gujarat	2.30	2.60	2.28

5.	Hexacom Rajasthan	N.E. 0.87	0.00 1.01	0.00 0.87	0.00
6.	J.T. Mobiles Karnataka	Andhra 1.65	1.41 1.40	1.46 1.51	1.06
7.	Modicom Punjab	Karnataka (both)	5.70 (both)	6.77 (both)	5.94
8.	Srinivas	T.Nadu	0.71	0.91	1.32
9.	RPG	M.P.	0.41	0.36	
10.	Reliance Assam Bihar H.P. M.P. Orissa N.E.	W.B. 1.51 (All Circles)	1.77 (All Circles)		
11.	Tata A.P.	1.99	2.29	1.99	
12.	BPL US TN Maha.	Ker. 1.78 1.82	1.15 1.81 2.65	1.41 1.44 2.19	1.17
		28.05	31.85	25.43	

Revenue Share Payments received under NTP-99 C.M.T.S. (Metro)

S.No.	Name of Operator	Area of Operation	15% Revenue share paid For 1.8.99 To 31.10.99	15% Revenue share paid for 1.11.99 to 31.1.2000	15% Revenue share paid 1.2.2000 to 31.3.2000
1.	Bharati	Delhi	9.28	10.00	10.15
2.	Sterling	Delhi	6.35	6.60	4.86
3.	H.Max	Mumbai	8.73	9.00	8.00
4.	BPL	Mumbai	9.08	10.46	6.88
5.	Skycell	Chennai	1.34	1.49	1.24
6.	RPG	Chennai	1.56	1.25	1.50
7.	Modi Tel.	Calcutta	2.00	1.79	1.21
8.	Usha	Calcutta	1.42	1.96	
			39.76	42.55	33.84

Grand Total - 67.81 + 74.40 + 59.27 = Rs.201.48 Crores.